DEVON & SOMERSET
FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	**DSFRA/13/11**
MEETING	**DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY (Ordinary Meeting)**
DATE OF MEETING	**30 MAY 2013**
SUBJECT OF REPORT	**PROVISIONAL FINANCIAL OUTTURN 2012-2013**
LEAD OFFICER	**TREASURER**
RECOMMENDATIONS	***(a) That the following three proposed transfers to Earmarked Reserves, as outlined in paragraph 10.1 of this report, be approved;*** ***I. an amount of £0.103m be transferred to an Earmarked Reserve to fund two one-off essential spending pressures not included in the 2013-14 revenue budget;*** ***II. an amount of £1.578m be transferred to the CSR 2010 Budget Strategy Reserve.*** ***(b) That the proposed transfer of £0.314m from Earmarked Reserves to the General Reserve, as outlined in paragraph 10.3 of this report, be approved;*** ***(c) That the capital determinations in relation to the funding of the 2012-13 capital spending, as detailed in paragraph 15.1 of this report, be approved;*** ***(d) That subject to (a) and (b) above, the position in relation to the Revenue and Capital Outturn, as indicated in this report, be noted.***
EXECUTIVE SUMMARY	This report provides the financial outturn position for 2012-13, for both revenue and capital spending, and makes recommendations as to how the underspend against the revenue budget of £1.681m is to be utilised. The figures included in this report are provisional at this stage, subject to external audit of the Accounts during July/August 2013.
RESOURCE IMPLICATIONS	As indicated within the report.

EQUALITY IMPACT ASSESSMENT	Not applicable
APPENDICES	A. Provisional Revenue Outturn Position 2012-2013. B. Summary of Reserve and Provision Balances at 31 March 2013
LIST OF BACKGROUND PAPERS	Financial Performance Report 2012-13 (RC/13/5) to Resources Committee 16 May 2013

1. INTRODUCTION

1.1 This report provides the Authority with the final outturn position (subject to audit) for revenue and capital spending for the financial year 2012-13, and makes recommendations as to how the underspend against the revenue budget is to be utilised. The report is in two parts. Section 1 deals with the revenue outturn position while Section 2 deals with the position in relation to capital spending.

2. SECTION 1 – REVENUE OUTTURN 2012-13

2.1 Total revenue spending in 2012-13 was £76.996m, compared to an agreed budget of £78.677m, resulting in an underspend of £1.681m, equivalent to 2.14% of total budget. A summary of spending is shown in Table 1 below, and Appendix A provides a more detailed analysis of spending against individual budget heads.

TABLE 1 – SUMMARY OF REVENUE SPENDING 2012-13

	£m	£m	£m
Approved Budget			**78.677**
Gross Spending *(Appendix A Line 27)*	77.765		
Gross Income *(Appendix A Line 32)*	(3.890)		
Net Spending		73.875	
PLUS Transfers to Earmarked Reserves			
- Grants Unapplied *(Appendix A Line 35)*	0.139		
- 2012-2013 Carry Forwards *(Appendix A Line 36)*	0.150		
- Direct Revenue Funding to Capital *(Appendix A line 37)*	2.832		
Total Transfer to Earmarked Reserves *(Appendix A Line 38)*		3.121	
TOTAL NET SPENDING			**76.996**
NET UNDERSPEND			**(1.681)**

2.2 This underspend position is largely attributable to the instruction given by the Chief Fire Officer and Senior Management Board to all budget holders across the organisation to trim costs wherever possible with a view to reducing their areas of budget responsibility and secure £1m of savings by the end of the financial year. Delivery of in-year savings form an important part of our overall strategy to build reserve balances at this time to provide additional financial contingency during the next four year period when the more severe budget reductions are anticipated.

2.3 A draft outturn report was considered at the meeting of Resources Committee held on 16 May 2013, including proposals on how to utilise the underspend. The Committee resolved to recommend to the Authority that two transfers to Earmarked Reserves be made, as follows (Minute RC/ refers);

- An amount of £0.103m be utilised to fund two one-off spending pressures for which no funding had been included in the 2013-14 revenue base budget.
- That the balance of £1.578m be transferred to the CSR 2010 Budget Strategy Reserve.

2.4 Further details of each of these proposals are contained in paragraph 10.1 of this report.

2.5 An analysis of spending against all approved budget lines is shown in Appendix A. It is inevitable that there will be variations against individual budget lines, due to changing circumstances, volatility associated with some budget lines, and the instruction to budget holders to only commit spending that is deemed to be essential. Details of the major variations against individual budget lines are explained in paragraphs 3 to 8 below

3. <u>EMPLOYEE COSTS</u>

Wholetime Staff

3.1 Spending against the wholetime staff pay budget is £0.357m more than budget, equivalent to 1.08% of the total wholetime pay budget, primarily as a result of additional overtime payments required to cover vacant firefighter posts.

Retained Pay Costs

3.2 Spending against the retained pay budget is £0.390m under budget, primarily as a result of less retained calls than had been budgeted for. Members will be aware that forecasts of spending against the £12m retained pay budget can be very difficult to predict given the fact that the majority of retained staff are paid on a 'pay as you go basis' which means that costs are directly associated to the number of retained mobilisations.

3.3 It should be noted that this figure of £0.390m is net of an additional Provision of £0.798m to fund future liabilities in relation to the impact of the Employment Tribunal case made in 2010 under the Part Time Workers (Less than Favourable Working Conditions) Regulations. Members will recall that the Tribunal ruled that the claimants (retained staff) were engaged in broadly the same work as their named comparators (wholetime staff) and that they had been treated less favourably in respect of conditions of service e.g. access to pensions, sickness payments etc.

3.4 At this time it is not possible to give a precise figure as to the ultimate financial impact to the Authority as details of the settlement associated with access to pension rights have not yet been released. We are expecting further information to be released in the next few months following negotiations between the Fire Brigades Union and the Department of Communities and Local Government (CLG). However given that Devon and Somerset FRA is the largest employer of retained firefighters in the UK, we are expecting the impact of this ruling to be significant, particularly as the ruling includes backdated payments to the year 2000.

3.5 The Authority had already set aside funds of £1.853m into a financial Provision as at 1 April 2012 to meet payments when they arise. During 2012-13 payments to retained firefighters totalling £1.027m have been made, relating to the non-pension aspects of the settlement, leaving a remaining balance as at 31 March 2013 of £0.826m.

3.6 It is an accounting requirement that this Provision is reviewed at the year-end to ensure that, as far as possible, sufficient sums are made available to pay outstanding liabilities. Given that we are now a further year on it is necessary to increase the Provision again to cover a further twelve months liability. Based on the most recent information available it is now forecast that the liability still to come is £1.624m. This forecast makes an assumption relating to the number of retained firefighters, both existing and retired, that take up the option to access the new pension rights offered to them from the ruling of the Tribunal. There is, of course, a risk that more firefighters take up the option resulting in the cost exceeding the amount set aside in the Provision. Should this be the case then the Authority will need to fund any excess from Reserve balances.

3.7 Given that the revised estimated liability of £1.624m exceeds the existing Provision balance of £0.826m, it is required to charge an additional £0.798m to the 2012-2013 revenue account to increase the Provision to the required level.

Non-Uniformed staff Costs

3.8 As a result of the strategy adopted to achieve in-year savings from holding posts vacant wherever possible spending on non-uniformed pay is £0.459m less than budget.

Training costs

3.9 The underspend against training costs to due to a number of factors including a reduction in the costs of role development training because we do not have the forecast number of people in expensive development programme, a rationalisation of courses to increase efficiency and a redesign of the ADC toolkits which has presented significant financial efficiency. The delivery of these efficiencies has not impacted upon core competence as all risk critical courses have been delivered as required.

Pension Costs

3.10 As a result of the identification of eleven cases of ill-health pensions payments in relation to previous years being incorrectly charged against the Firefighter Pension Fund (funded by CLG top-up grant) rather than the Service revenue budget, a correcting adjustment has been necessary in the current year resulting in a net overspend of £0.395m.

4. TRANSPORT RELATED COSTS

Travel and Subsistence

4.1 As a result of the overall strategy to secure in-year savings costs associated with travel and subsistence have been £0.217m less than budget.

5. SUPPLIES AND SERVICES

Communications

5.1 As a result of and a delay in the installation of a replacement telephone system (£0.100m), and the overall strategy to secure in-year savings, the budget for communications and ICT costs is underspent by £0.207m.

Personal Protective Equipment (PPE)

5.2 The roll out of the new PPE across the Service is now substantially complete and in the event costs associated with the roll out have not been as much as had been anticipated. In the next few years consideration will need to be given as to how funding is to be made available for replacement PPE once current issue is out of life.

6. ESTABLISHMENT COSTS

Insurances

6.1 An underspend against insurance costs of £0.251m includes a refund from FRAML, the mutual insurance company that DSFRS was part of until a few years ago, relating to the contribution that DSFRS made to FRAML to fund motor claims, which in the event was not required. In addition, further savings have been achieved as a result of less excess claims being funded from the Service budget than had been budgeted.

7. CAPITAL FINANCING COSTS

Capital Charges

7.1 Elsewhere in this report (Table 3) is the final outturn position in relation to 2012-13 capital spending which identifies that there has been significant slippage in spending against some capital projects. As a consequence of this slippage together with slippage from the previous year savings of £0.199m have been achieved against the capital charges budget.

Revenue Contribution to Capital Spending

7.2 A further consequence of the slippage in capital spending outlined above in paragraph 7.1 is that not all of the agreed Revenue Contribution to Capital Spending has been required in 2012-13. In order that the agreed revenue funding to capital is available to fund the spending when it occurs in 2013-14 it is necessary to transfer the unused balance of £2.832m into an Earmarked Reserve.

8. INCOME

Treasury Management Investment Income

8.1 Investment decisions made during the year, and a better than anticipated cash position, has resulted in investment income exceeding the original target by £0.131m.

Grants and Reimbursements

8.2 Whilst the Authority has received £0.329m more in grant income than budgeted, it should be emphasised that of the total grants received during the year an amount of £0.139m relates to grants that have been received from outside bodies to fund a specific purpose, but which have not been spent by the year-end. Under the International Financial Reporting Standards (IFRS), any such grant, where there is no requirement for it to be repaid if not spent at year-end, is to be identified to the Committee and carried forward into the next financial year by way of a transfer into an Earmarked Reserve. This Reserve will then fund those projects for which the grants were originally intended when expenditure is incurred. Further detail of such grants is included in paragraph 9.1.

Other Income

8.3 A shortfall of £0.224m against the other income budget is a reflection of the difficult market conditions which, in particular, is having an impact on external training customers. This shortfall is partly offset by a reduction in training staff costs.

9. CONTRIBUTION TO EARMARKED RESERVES

9.1 The 2012-13 outturn figures in Appendix A includes three transfers to Earmarked Reserves, as follows:

1. **Grants Unapplied (£0.139m)** – as is outlined in paragraph 8.2 of this report, under the IFRS accounting arrangements, any unused grants at the year-end, which are not subject to repayment are to be identified and carried forward to 2013-14. An analysis of such grants is shown in Table 2 overleaf.

TABLE 2 – UNSPENT GRANTS TO BE CARRIED FORWARD TO 2013-2014

Grant Received From	£m	Purpose of Grant
CLG	(0.088)	National resilience projects
Surestart	(0.033)	Road safety for young drivers & passengers
Learn2Live	(0.018)	Home safety visits for vulnerable people
TOTAL	**(0.139)**	

2. **2012-13 Budget Carry Forwards (£0.150m)**. Two committed projects planned to be delivered by 31 March 2013 have not been completed on time and a budget carry forward is therefore required to fund those costs in 2013-14. These projects relate to:

   - Replacement Telephone System - £0.100m.
   - Remedial works to put right leakage from Oil Bunker Container at Taunton Fire Station - £0.050m.

3. **Capital Funding Reserve (£2.832m)**. As is reported in paragraph 7.2 of this report, as a result of slippage in capital spending not all of the agreed direct revenue funding to capital has been required. The remaining balance of £2.832m is required to be carried forward to 2013-14, through an earmarked reserve, to fund the capital spending when it is actually incurred.

10. PROPOSALS FOR UTILISATION OF THE UNDERSPEND

10.1 Following consideration of the financial outturn position at the meeting of Resources Committee, held on the 16 May 2013, it is recommended that the underspend figure of £1.681m be used to fund two further transfers into Earmarked Reserves, as follows:

(a) **Essential Spending Pressures 2013-14 (£0.103m)** – Since setting the 2013-14 revenue budget in February 2013 two essential spending items totalling £0.103m have been identified by budget holders for which no budget provision has been made. Since each of these items are one-off in nature it is proposed that funds be made available from the 2012-13 underspend by way of a transfer to Earmarked Reserves. The requested spending items relate to;

- Breathing Apparatus Cylinder Testing - £0.070m
- Specialist Rescue Level 4 Boat Training - £0.033m

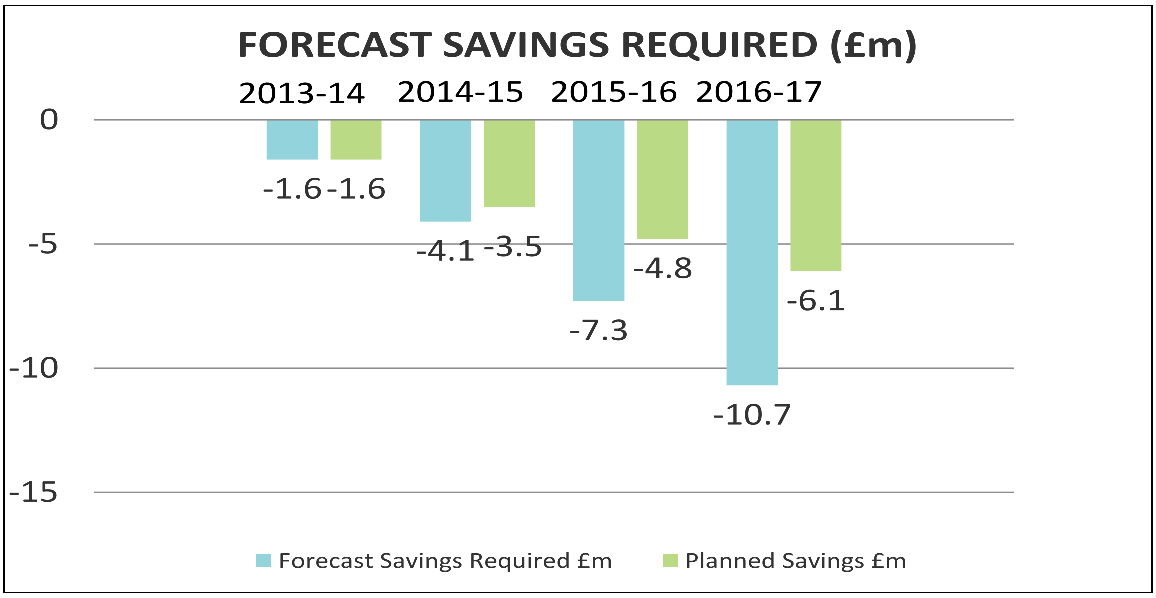
(b) **CSR 2010 Budget Strategy Reserve (£1.578m)** – it is proposed that the remaining underspend of £1.578m be transferred to the existing CSR 2010 Budget Strategy Reserve. If agreed this would increase the balance on this Reserve to £3.395m.

Members will be aware of our strategy to build this Reserve from in-year savings to be utilised over the next four years when the impact of the grant reductions will be more severe. We already know from the December 2012 Local Government Finance Settlement that our grant has been reduced by £5.5m by 2014-15, and this figure is exacerbated by the announcement in the Chancellors Budget in March 2013 of an additional 2% reduction to local government funding in 2014-15.

Chart 1 below provides current forecasts of savings required over the four year period 2013-14 to 2016-17 together with forecast savings to be achieved over that period from the proposals contained in the current Corporate Plan. As is illustrated from this Chart, based on current forecasts, the planned savings deliverable from the proposals in the Corporate Plan will not cover the total savings required by 2016-17 which is why further proposals will need to be brought forward for consideration.

One of the key factors to the delivery of the required savings is the natural turnover of staff during the period. The balance in the CSR 2010 Budget Strategy Reserve will be available to smooth out the impact of the grant reductions over the four years, and also to fund any costs associated with any voluntary redundancy agreements.

CHART 1 – FORECAST SAVINGS REQUIRED 2013-14 TO 2016-17



10.2 A summary position of Reserves and Provisions as at 31 March 2013, including the recommended transfers to Earmarked Reserves included in this report, is included as Appendix B.

10.3 In addition to the proposals for transfers to Earmarked Reserves (Appendix B Column 4), it is also recommended that an amount of £0.314m is transferred from Earmarked Reserves to the General Reserve (Appendix B Column 5). This amount relates to amounts originally transferred to Earmarked Reserve but which are no longer required for its original purpose, and is therefore eligible for transfer to the General Reserve. If Members are minded to approve this recommendation then the balance on the General Reserve will increase from £4.873m to £5.187m, equivalent to 6.59% of total revenue budget.

11. SUMMARY OF REVENUE SPENDING

11.1 Members will be well aware from budget monitoring reports considered during the financial year of the strategy adopted to seek in-year savings wherever possible which can be transferred at year end to the Authority Reserve balances. It is pleasing therefore that this strategy has resulted in an underspend position enabling a further transfer of £1.578m to be made to the CSR 2010 Reserve, increasing the balance on that Reserve to £3.395m.

11.2 It is anticipated that this Reserve will be fully utilised over the four year period to smooth out the impact to the Service revenue budget of the severe CSR grant reductions over that period.

11.3 The Authority is asked to approve the recommendations included in paragraphs 10.1 and 10.3.

12. SECTION 2 – CAPITAL OUTTURN 2012-13

12.1 The capital programme for 2012-13 was originally set at £8.597m at the budget setting meeting held on the 17 February 2012. This programme figure has increased during the financial year to £10.647m, predominantly as a result of slippage in spending from the previous year, but also as a result of new capital spending items to be funded from grant income or revenue contributions. As has been reported to the Committee during the year whilst these changes represent an increase in the 2012-13 programme they do not represent an increase in the overall borrowing requirement.

12.2 Table 3 overleaf provides a summary of the provisional outturn position against the agreed 2012-2013 capital programme. This reports capital spending to be £4.662m against a total programme of £10.647m, resulting in an underspend of £5.985m. Of this underspend an amount of £4.619m is attributable to slippage against capital projects with the remaining £1.366m representing savings against the original programme.

TABLE 3 – SUMMARY OF CAPITAL SPENDING IN 2012-13

Draft Capital Outturn 2012/13

Item	PROJECT	2012/13 £000 Budget	2012/13 £000 Draft outturn	2012/13 £000 Variation to budget	Variation to budget: Slippage £000	Variation to budget: Savings £000	Variation to budget: Total variation £000
	Estate Development						
1	SHQ major building works	92	3	(89)	89		89
2	Major Projects - Training Facility at Exeter Airport	3,284	2,090	(1,194)	1,194		1,194
3	Minor improvements & structural maintenance	2,140	820	(1,320)	1,320		1,320
4	Welfare Facilities	15	15	0	0		0
5	USAR works	112	109	(3)	3		3
6	Minor Works slippage from 2010-11	343	343	0	0		0
7	Minor Works slippage from 2011-12	1,674	549	(1,125)	0	1,125	1,125
8	STC - Ship Structure	52	47	(5)	5		5
	Estates Sub Total	**7,712**	**3,976**	(3,736)	**2,611**	**1,125**	**3,736**
	Fleet & Equipment						
9	Appliance replacement	700	207	(493)	493		493
10	Specialist Operational Vehicles	920	251	(669)	669		669
11	Vehicles funded from revenue	184	183	(1)	1		1
12	Equipment	242	45	(197)	197		197
13	Appliance and Specialist Operational Vehicles slippage	889		(889)	648	241	889
				0			
	Fleet & Equipment Sub Total	**2,935**	**686**	(2,249)	**2,008**	**241**	**2,249**
	Overall Capital Totals	**10,647**	**4,662**	(5,985)	**4,619**	**1,366**	5,985
	Programme funding						
	Main programme	4,179	2,076	(2,103)	737	1,366	2,103
	Revenue funds	3,247	415	(2,832)	2,832		2,832
	Earmarked reserves	1,200	150	(1,050)	1,050		1,050
	Grants	2,021	2,021	-	0		0
		10,647	**4,662**	**(5,985)**	**4,619**	**1,366**	**5,985**

<u>Slippage in Capital Spending 2012-13</u>

12.3 Members are aware that this Authority has a three rolling capital programme, reviewed annually. This reflects changes in circumstances within individual projects and slippage that will occur from time to time. This is not unusual as is the case for the Training Academy at Exeter Airport. This has been delayed due to contract negotiations, contaminated land and poor weather. As a consequence, £1.1m has slipped into 2013/14. It is proposed to not proceed with projects planned for 2013/14, reducing the budget significantly. Those projects that have slipped into 2013/14 have been reassessed and a further £1.1m saved as a consequence by only taking forward those already committed.

12.4 There has also been slippage within the Fleet replacement programme from 2012/13 of £2m. Again this is not unusual and remains within the arrangements for a three rolling capital programme. This is a result of aligning the Specialist Vehicle replacement with the Tiered Approach at Tier 3. These vehicles are essential to the programme and include, Environmental Units, Incident Command Units, Prime Movers and 4 x 4 capability recognising the need to have improved arrangements for off-road, flooding and snow. This also includes vehicles for the Training Academy at Exeter Airport. These vehicles are all in various stages of build and the slippage reflects the continuations payments which allow the vehicles to be completed during 2013/14.

13. FINANCING THE 2012-13 CAPITAL PROGRAMME

13.1 Table 4 below provides an analysis of how the 2012-13 capital spending of £4.662m is to be financed.

TABLE 4 – SUMMARY OF CAPITAL FINANCING IN 2012-13

	Actual Financing Required £m
External Borrowing	**2.076**
Other Financing Sources	
Revenue Contribution to Capital Spending	
SHQ Fire Control Room Refurbishment.	0.303
Ship Structure at Service Training Centre at Plympton.	0.048
Welfare facilities at fire stations.	0.018
Urban Search and Rescue (USAR) temporary building.	0.015
USAR Enhanced Logistics Command Vehicle.	0.094
Purchase of light vehicles from revenue.	0.039
Purchase of Telehandler Unit.	0.048
Sub Total – Direct Revenue Funding/Earmarked Reserve	**0.565**
Capital/Revenue Grants	
CLG Grant to support capital spending	2.021
Sub Total - Capital/Revenue Grants	**2.021**
Total Financing	**4.662**

Borrowing

13.2 The amount of external borrowing at the beginning of the financial year stood at £27.066m. During the year an amount of £2m has been taken out as new borrowing with an amount of £1.899m of debt repayments, resulting in an overall small increase of external borrowing to £27.167m as at 31 March 2013. This level of borrowing is well below the agreed maximum borrowing figure of £34.159m allowed under the Prudential Code.

14. DRAFT PRUDENTIAL INDICATORS

14.1 The prudential indicators at this time are only in draft format, subject to the completion of the Statement of Accounts.

14.2 Capital Expenditure
This prudential indicator reports actual capital spending for the year against the approved programme. Spending has proved to be £5.985m less than anticipated predominantly as a consequence of delays on progressing capital projects.

Approved Indicator	£10.647m	
Actual Expenditure	£4.662m	
Variance		(£5.985)m

14.3 Capital Financing Requirement (CFR) – External Borrowing
The CFR reflects the underlying need to borrow for capital purposes. Given that spending is £5.9m less than programmed, the need to borrow to fund capital spending has also reduced.

Approved CFR	£28.403m	
Actual CFR	£26.307m	
Variance		(£2.096)m

14.4 Capital Financing Requirement (CFR) – Other Long Term Liabilities
This CFR reports long term financing liabilities other than external borrowing, e.g. Private Finance Initiative (PFI) and Finance Leases, which under accounting rules are required to be reported alongside traditional borrowing liabilities.

Approved CFR	£1.558m	
Actual CFR	£1.558m	
Variance		(£0.000) m

14.5 Authorised Limit and the Operational Boundary for External Debt
Actual external debt as at 31 March 2013 was £27.167m.

This is well within the authorised limit (absolute maximum borrowing approval) and operational boundary of £32.739m and £34.159m respectively, and therefore neither was breached.

14.6 Ratio of Financing Cost to Net Revenue Stream
This ratio aims to show the percentage of revenue resources which are applied to financing debt. The Authority's estimate was that 3.98% would be applied and the actual figure is 0.32 base points (bp) below that estimate.

Capital Financing Costs	£3.109m

Interest on investments	(£0.231) m
Net Financing Costs	£2.878m
Net Revenue Stream	£78.677m
Percentage	3.66%
Estimated	3.98%
Variance	(0.32) bp

15. DETERMINATION OF CAPITAL FINANCE

15.1 The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance resources is proposed;

- That an amount of £2.076m is capitalised and funded from external borrowing.
- That an amount of £2.021m is capitalised and funded from government grant.
- That an amount of £0.565m is capitalised and funded from revenue contributions to capital spending, either directly from the 2012-13 revenue budget or from balances in Earmarked Reserves.

KEVIN WOODWARD
Treasurer

SUBJECTIVE ANALYSIS OF REVENUE SPENDING

DEVON & SOMERSET FIRE AND RESCUE AUTHORITY
Provisional Revenue Outturn Statement 2012-2013

Line No		2012/13 Budget £000 (1)	Year To Date Budget £000 (2)	Spending to Month 12 £000 (3)	Projected Outturn £000 (4)	Projected Variance over/ (under) £000 (5)
	SPENDING					
	EMPLOYEE COSTS					
1	Wholetime uniform staff	31,833	31,833	32,190	32,190	357
2	Retained firefighters	12,096	12,096	10,908	11,706	(390)
3	Control room staff	1,567	1,567	1,627	1,627	60
4	Non uniformed staff	10,561	10,561	10,102	10,102	(459)
5	Training expenses	1,321	1,321	1,012	1,012	(309)
6	Fire Service Pensions recharge	2,103	2,103	2,498	2,498	395
		59,481	**59,481**	**58,337**	**59,135**	**(346)**
	PREMISES RELATED COSTS					
7	Repair and maintenance	1,131	1,131	1,063	1,068	(63)
8	Energy costs	581	581	596	596	15
9	Cleaning costs	448	448	373	373	(75)
10	Rent and rates	1,471	1,471	1,526	1,526	55
		3,631	**3,631**	**3,558**	**3,563**	**(68)**
	TRANSPORT RELATED COSTS					
11	Repair and maintenance	602	602	549	549	(53)
12	Running costs and insurances	1,271	1,271	1,226	1,226	(45)
13	Travel and subsistence	1,679	1,679	1,462	1,462	(217)
		3,552	**3,552**	**3,237**	**3,237**	**(315)**
	SUPPLIES AND SERVICES					
14	Equipment and furniture	2,399	2,399	2,392	2,392	(7)
15	Supplies Internal Recharges	0	0	33	33	33
16	Hydrants-installation and maintenance	113	113	137	137	24
17	Communications	1,868	1,868	1,661	1,661	(207)
18	Uniforms	1,231	1,231	902	902	(329)
19	Catering	174	174	206	206	32
20	External Fees and Services	380	380	427	427	47
21	Partnerships & regional collaborative projects	125	125	117	117	(8)
		6,290	**6,290**	**5,875**	**5,875**	**(415)**
	ESTABLISHMENT COSTS					
22	Printing, stationery and office expenses	457	457	409	409	(48)
23	Advertising	49	49	35	35	(14)
24	Insurances	388	388	137	137	(251)
		894	**894**	**581**	**581**	**(313)**
	PAYMENTS TO OTHER AUTHORITIES					
25	Support service contracts	572	572	505	505	(67)
		572	**572**	**505**	**505**	**(67)**
	CAPITAL FINANCING COSTS					
26	Capital charges	4,653	4,653	4,454	4,454	(199)
27	Revenue Contribution to Capital spending	3,247	3,247	0	415	(2,832)
		7,900	**7,900**	**4,454**	**4,869**	**(3,031)**
28	**TOTAL SPENDING**	**82,320**	**82,320**	**76,547**	**77,765**	**(4,555)**
	INCOME					
29	Treasury management investment income	(100)	(100)	(231)	(231)	(131)
30	Grants and Reimbursements	(1,778)	(1,778)	(2,107)	(2,107)	(329)
31	Other income	(1,622)	(1,622)	(1,418)	(1,398)	224
32	Internal Recharges	(143)	(143)	(154)	(154)	(11)
33	**TOTAL INCOME**	**(3,643)**	**(3,643)**	**(3,910)**	**(3,890)**	**(247)**
34	**NET SPENDING**	**78,677**	**78,677**	**72,637**	**73,875**	**(4,802)**
	TRANSFERS TO EARMARKED RESERVES					
35	Grants Unapplied	-	-	-	139	139
36	2012-13 Budget Carry Forwards	-	-	-	150	150
37	Capital Funding	-	-	-	2,832	2,832
38	**TOTAL TRANSFERS TO EARMARKED RESERVES**	**-**	**-**	**-**	**3,121**	**3,121**
39	**NET SPENDING**	**78,677**	**78,677**	**72,637**	**76,996**	**(1,681)**

SUMMARY OF RESERVES AND BALANCES AS AT 31 MARCH 2013

RESERVES AND PROVISIONS							
RESERVES		**Balance as at 1 April 2012 £000**	**Spend as at 31 March 2013 £000**	**Proposed Transfer of underspend £000**	**Proposed Transfer between Reserves £000**	**Balance as at 31 March 2013 £000**	
Earmarked reserves							
Lundy Island Fire Cover	(12)	(12)	-		12	0	
Positive pressure ventilation training	(4)	(4)	-		4	0	
Mobilisation equipment	-	(57)	57		-	0	
Welfare building works	-	(15)	15		-	0	
Change & improvement training	(4)	(6)	2		4	0	
Gold command courses	(6)	(24)	18		6	0	
Interagency liaison officer costs	(1)	(10)	9		1	0	
Grants unapplied in 2010-11	(125)	(2,521)	146		125	(2,250)	
Change & improvement programme	(162)	(673)	-		162	(511)	
Commercial Services		(300)	47			(253)	
Direct Funding to Capital		(1,044)	-			(1,044)	
CSR 2010		(1,817)	-			(1,817)	
Year end proposals							
Support to capital programme within 2011-12 base				(2,832)		(2,832)	
2012-13 Budget Carry Forwards				(150)		(150)	
Grants unapplied in 2011-12				(139)		(139)	
Essential Spending Pressures				(103)		(103)	
CSR 2010				(1,578)		(1,578)	
Total earmarked reserves		**(6,483)**	**294**	**(4,802)**	**314**	**(10,677)**	
General reserve							
General fund balance		(4,873)			(314)	**(5,187)**	
Percentage of general reserve compared to net budget							-6.59%
TOTAL RESERVE BALANCES		**(11,356)**	**294**	**(4,802)**	**-**	**(15,864)**	
PROVISIONS							
Part time workers - retained fire fighters		(1,853)	1,027	(798)		(1,624)	
TOTAL PROVISIONS		**(1,853)**	1,027	(798)		**(1,624)**	